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# Message Text

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ACTION OPIC-06

INFO OCT-01 AF-06 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 XMB-02 FRB-03

CIAE-00 INR-07 NSAE-00 /066 W
---------- 110213
R 291000Z JUL 75
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 3834

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E.O. 11652: N/A
TAGS: EGEN, CG
SUBJ: FINANCING FOR IHC EXPANSION PLANS

PASS OPIC, EXIM

AF/C FOR AMBASSADOR VANCE

REF: KINSHASA 3106

1. NEW "DEFINITIVE" BECHTEL EXTIMATES FOR IHC EXPANSION PROGRAM ARE $22,648,600 FOR HOTEL EXTENSION AND CATERING FACILITIES AND $11,781,700 FOR APARTMENT PROJECT, WITH U.S. DOLLAR COMPONENTS BEING RESPECTIVELY 8,269,300 AND 2,989,700.

2. NEW FINANCIAL PLAN DRAWN BY IHC FOR HOTEL EXTENSION ENVISIONS EQUITY AND SELF-GENERATED CASH AT PREVIOUSLY FORESEEN LEVELS: IHC $2,050,600; GOZ $2,050,600; SELF-GENERATED CASH $3,200,000. EXIMBANK TO LOAN $2,885,035 AND AND GUARANTEE EQUAL AMOUNT OF FNCE LOAN. OPIC TO PROVIDE $2 MILLION LOAN AND GUARANTEE $4,785,250 U.S. INSURANCE COMPANY LOAN. FNCB TO LOAN ALSO $1,120,000 IN LOCAL CURRENCY.

3. APARTMENT FINANCING WOULD INCLUDE $4,138,500 IN EQUITY
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(50 PERCENT GOZ, 50 PERCENT IHC), EXIM LOAN OF $1,087,000 EXIM

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GUARANTEE OF FNCB $1,087,000 LOAN. FNCB WILL ALSO LOAN $4,524,200 IN EURODOLLARS AND $945,000 IN LOCAL CURRENCY.

4. FOR THE COMBINED PROJECTS, EXIM WILL BE ASKED TO PROVIDE $3,972,035 IN LOANS AND THE SAME AMOUNT IN GUARANTEES OF FNCB LOANS. THAT WILL REQUIRE AN INCREASE OF $1,305,535 EACH ABOVE ALREADY COMMITTED LOAN AND GUARANTEE LEVELS. THIS FIGURE REPRESENTS $428,465 DECREASE FROM $1,734,000 PROPOSED PARA 2 REFTEL AS ADDITIONAL EXIM SUPPORT NEEDED. EXIM LOANS NOW REPRESENT ONLY 35 PERCENT OF COMBINED U.S. DOLLAR COMPONENT.

5. OPIC WILL BE REQUESTED TO PROVIDE A $2,000,000 LOAN TO THE HOTEL EXTENSION PROJECT AND TO GUARANTEE A $4,785,250 LOAN TO THE SAME PROJECT FROM A U.S. INSURANCE COMPANY. THIS ARRANGEMENT HAS BEEN DISCUSSED BETWEEN OPIC AND IHC AND WE UNDERSTAND THAT OPIC IS BASICALLY IN AGREEMENT.

6. FNCB WILL BE REQUESTED TO PROVIDE ADDITIONAL $1,305,535 IN US DOLLAR LOANS AS PART OF PACKAGE; IHC EXPECTS NO PROBLEM WITH ADDITIONAL LOAN FROM THIS SOURCE IF COVERED BY EXIM GUARANTEE.

7. WE WOULD LIKE TO REITERATE OUR STRONG SUPPORT OF PROJECT AS STATED BY AMBASSADOR HINTON IN HIS 8 JANUARY LETTER TO PATRICK J. MALLOY, EXIMBANK. THE IHC ACTIVITIES HAVE BEEN AMONG THE MOST SUCCESSFUL AND HIGH PROFILE AMERICAN INVESTMENTS IN ZAIRE AND HAVE CONTINUOUSLY RECEIVED TOP PRIORITY AND ASSISTANCE FROM THE GOZ. THE EXPANSION PROGRAM PROVIDES AN OPPORTUNITY TO DEMONSTRATE CONTINUITY OF USG SUPPORT FOR AMERICAN INVESTMENTS IN ZAIRE. IT ALSO PROMISES TO BE AN EXTREMELY ATTRACTIVE PROJECT FINANCIALLY. THE INTERCONTINENTAL HOTEL IN ZAIRE HAS BEEN THE MOST PROFITABLY OF THE IHC CHAIN. WE URGE ALL POSSIBLE SPEED IN THE FINAL APPROVAL BY OPIC AND EXIM OF THEIR PARTICIPATION IN THE IHC EXPANSION PLANS.
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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
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**Concepts:** COSTS, HOTELS, PROGRAMS (PROJECTS), BANK LOANS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 29 JUL 1975
**Decaption Date:** 01 JAN 1960
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**Disposition Case Number:** n/a
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**Status:** NATIVE
**Subject:** FINANCING FOR IHC EXPANSION PLANS PASS OPIC, EXIM
**TAGS:** EGEN, CG
**To:** STATE
**Type:** TE
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